UNITED
NATIONS

E

Economic and Social Council

PROVISIONAL

E/1994/SR.32
12 December 1994

ORIGINAL: ENGLISH

Substantive session of 1994

PROVISIONAL SUMMARY RECORD OF THE 32nd MEETING

Held at Headquarters, New York,
on Thursday, 14 July 1994, at 10 a.m.

President : Mr. TEJERA PARIS (Venezuela)
(Vice-President)

CONTENTS

Coordination segment

Adoption of the agenda and organization of work (continued)

General segment

Economic and environmental questions: reports of subsidiary bodies, conferences and related questions

(c) Trade and development

(d) Food and agricultural development

(e) Transnational corporations

(f) Population questions

(j) Cartography

(l) Public administration and finance

Corrections to this record should be submitted in one of the working languages. They should be set forth in a memorandum and also incorporated in a copy of the record. They should be sent within one week of the date of this document to the Chief, Official Records Editing Section, Office of conference Services, room DC2-794, 2 United Nations Plaza.

94-81171

/...

In the absence of the President, Mr. Tejera Paris (Venezuela), Vice-President, took the chair.

The meeting was called to order at 10.30 a.m.

COORDINATION SEGMENT

ADOPTION OF THE AGENDA AND ORGANIZATION OF WORK (continued) (E/1994/89)

Requests for hearings by non-governmental organizations

The PRESIDENT said that, in paragraph 2 of the report of the Committee on Non-Governmental Organizations (E/1994/89), the Committee recommended approval of the requests of a number of non-governmental organizations to be heard at its substantive session under the agenda items indicated. That recommendation had been made and approved at a meeting of the Committee on 16 June 1994. If he heard no objection, he would take it that the Council wished to approve the recommendation contained in paragraph 2 of the report.

It was so decided.

The PRESIDENT said that, owing to a technical error, a request from the World Muslim Congress, a non-governmental organization in consultative status, category I, to be heard under item 5 (d) of the agenda, did not appear in document E/1994/89. If he heard no objection, he would take it that the Council wished to approve the request of the World Muslim Congress to be heard under item 5 (d).

It was so decided.

GENERAL SEGMENT

ECONOMIC AND ENVIRONMENTAL QUESTIONS: REPORTS OF SUBSIDIARY BODIES, CONFERENCES AND RELATED QUESTIONS (A/49/204-E/1994/90, A/49/205-E/1994/91, A/49/223-E/1994/105, E/1994/22, E/1994/59, E/1994/65, E/1994/69 and E/1994/86)

(c) TRADE AND DEVELOPMENT (A/49/15, vol. I)

(d) FOOD AND AGRICULTURAL DEVELOPMENT

(e) TRANSNATIONAL CORPORATIONS (E/1994/32)

(h) POPULATION QUESTIONS (E/1994/28)

(j) CARTOGRAPHY (E/1994/74 and Add.1)

(l) PUBLIC ADMINISTRATION AND FINANCE (E/1994/56)

The PRESIDENT reminded delegations that, at its 20th meeting on 5 July, the Council had agreed that the general segment, by way of experiments and without setting a precedent for future practice, would be conducted in such a way as to focus, as far as possible, on action and on the taking of decisions by the Council. It had been agreed that there should be no general debate in the general segment, without prejudice to the right of any Member State of Observer to seek to speak on any subject, in accordance with the Council's rules of procedure.

Mr. OSSA (Director, Macroeconomic and Social Policy Analysis Division, Department for Economic and Social Information and Policy Analysis) said that the World Economic and Social Survey 1994 contained an assessment of current trends in the world economy and in the different regions and analysed the policy stances being adopted. It discussed output and employment trends, international trade and financial resource transfers among the main groups of countries and also examined the global energy situation. The second part of the Survey contained a chapter on the global and regional employment outlook and a chapter on the economic and social implications of population dynamics.

Persistent and high unemployment was not only a huge waste of human resources, but was itself the cause of many social ills. While policies to increase market flexibility and provide training for the unemployed, particularly young people, were very important, they would not succeed without macro-level policies to accelerate economic growth. A more rapid expansion of output was necessary in most countries of the North and South. In its policy conclusions, the Survey suggested measures that could be taken at the national and international levels to help achieve that objective.

As a whole, African countries had not shared the momentum of growth of other developing countries and had not benefited from private capital flows, in spite of the adjustments and policy reforms that they had undertaken. There was a pressing need to provide further assistance to those countries in order to enable them to carry out their economic transformation and to take advantage of the new opportunities offered by the implementation of the Uruguay Round of multilateral trade negotiations.

The Uruguay Round had concluded with an agreement, and confidence in the world trading system had measurably improved. However, the provisions of the Uruguay Round must be implemented in a way that did not negate its benefits,

(Mr. Ossa)

developing countries. Although, by and large, most countries should gain from particularly for the the implementation of the agreement, food-deficit countries were expected to be adversely affected, at least in the short term. Appropriate action to compensate food-deficit developing countries was therefore likely to be an important task of the international community.

Perhaps the main message of the Survey was that the world economy was recovering and that there was an opportunity for the recovery to be long-lasting and have a positive effect on all regions of the world.

A major concern of policy-makers was the volatility of financial markets, particularly as they affected exchange rates and interest rates. Until recently, the effects of the widespread deregulation and liberalization of financial markets had not always been smoothly absorbed. There was a danger that a financial shock would result in significant repercussions on the real side of the economy. Such a shock would inhibit or lead to a postponement of gross fixed investments. There was also the danger that efforts to dampen currency speculation through monetary measures could result in rapidly rising interest rates, and global recovery might be derailed. For developing countries, particularly the countries of Latin America whose recovery was in its early stages, money-tightening in the North could have severe negative consequences. If the recent surge in financial transfers came to an abrupt end, major new domestic adjustments would be required in that region.

Close cooperation was needed to ensure the success of world economic recovery. In the light of recent cooperation efforts, there were grounds for cautious optimism, particularly if such cooperation took the interests of all groups of countries fully into account. In such circumstances, the world economy would enter the twenty-first century on a much firmer footing for sustained growth than at any time in the recent past.

Mr. MATHIASON (Assistant Director, Division for the Advancement of Women, Department for Policy Coordination and Sustainable Development) said that the purpose of the 1994 World Survey on the Role of Women in Development, which was produced every five years, was to provide a gender-perspective on the global economy. Like its predecessors, the World Survey reflected the work of the entire United Nations system; it had been prepared with the help of the International Labour Organization (ILO), the Food and Agriculture Organization of the United Nations (FAO), the United Nations Industrial Development Organization (UNIDO), the International Fund for Agricultural

(Mr. Mathiason)

Development (IFAD), the International Trade Centre of the United Nations Conference on Trade and Development (UNCTAD)/General Agreement on Tariffs and Trade (GATT).

The World Survey was expected to serve as one of the basic documents of the Fourth World Conference on Women. The World Survey was organized around three fundamental issues, two of which were issues of interest not only to the Conference but also to the upcoming World Summit for Social Development.

In the preparation of the World Survey, efforts had been made to make use of new information on trends in the role of women in development that could be used to gain an understanding of how gender impacted on the global economy. The material contained in the preliminary version of the World Survey (E/1994/86) made full use of the data that had been assembled in the Women's Indicators and Statistics Data Base, which was compiled periodically by the United Nations Statistical Division. For the first time, the Division for the Advancement of Women had been able to use gender to project the type of trends that were amenable to policy conclusions.

The final version of the World Survey would be submitted to the General Assembly at its forty-ninth session. That document would be completed within the next few weeks and would incorporate the Council's views with respect to the preliminary version.

Mr. LAWRENCE (Deputy to the Secretary-General of the United Nations Conference on Trade and Development) said that the incorporation of the Programme on Transnational Corporations into the institutional machinery of UNCTAD would promote the consolidation and integration of activities in the closely related areas of trade, finance, investment, technology and services. The principal goals were to eliminate overlap and realize economies while creating a broader base for enhancing the quality of the substantive support provided to the Commission on Transnational Corporations, the Commission on Science and Technology, the UNCTAD Trade and Development Board and the concerned subsidiary bodies of the Board. It was likely that the advantages of integration would be even greater than originally envisaged.

Interaction of New York staff with their colleagues in Geneva had already begun to enhance work in a number of areas. Moreover, in some instances, organizational structures had been created to ensure a common coherent approach to such highly interrelated issues as the provision of advisory services or activities involving enterprise development, privatization and investment. There had been some short-term disadvantages

(Mr. Lawrence)

and dislocations associated with the physical transfer of the Commission on Transnational Corporations to Geneva, and there had also been difficulties with respect to resource availabilities. The total regular and extrabudgetary resources available to the Programme on Transnational Corporations was currently about one half of what had been available when the Programme was in New York.

At the most recent session of the Commission on Transnational Corporations, the Government of Norway had made an important pledge of funding to the Trust Fund on Transnational Corporations, and other Governments should follow that example. At the same session, it had become clear that, in addition to dealing with the agreed agenda, Governments wished to review the functioning of the intergovernmental machinery and bring about adjustments that would enable the Commission to meet the needs of Governments. Much of those concerns were reflected in the draft resolution and draft decision currently before the Council. The UNCTAD secretariat fully shared the views of the Commission that changes were needed in order to enable the Commission to meet the needs of its members in the years ahead.

Mr. VRATUSA (Honorary President of the Council of the International Center for Public Enterprises in Developing Countries) said that the International Center for Public Enterprises in Developing Countries, based in Ljubljana, Slovenia, had been functioning as a joint institution of developing countries for research, training, consultancy, information/documentation and management education. According to its statute, its purpose was to promote the efficiency and effectiveness of public enterprises, as well as economic and social development.

In implementing the strategies for the 1990s, the Center had concentrated its attention on the restructuring of national economies and privatization, public enterprise reform and private and public sector interaction. Efforts had been made to ensure that the issue of human resources development, including women in development, would be adequately dealt with in all sectors of the Center's activities.

The International MBA Degree Programme for Executives and Policy-makers was a joint activity of the Center and Ljubljana University, in cooperation with other academic institution from North and South. The curriculum design of the MBA programme aimed at upgrading skills of highly qualified mid-career executives in business, Governments and public and private sector

(Mr. Vratusa)

enterprises. Special courses on environment and sea resources management as well as management of transition were an integral part of the eleven-month residential MBA programme. During the past 5 years, 117 people, including 25 women, from 23 countries had participated in the Programme.

The results obtained by the Center in the past 20 years of its existence demonstrated its ability to fulfil its function in the field of sustainable development management by generating and promoting the active cooperation of science, business and Governments at the national and international levels.

Ms. von ROEMER (International Confederation of Free Trade Unions (ICFTU)) said that since the establishment of the United Nations Commission on Transnational Corporations and the United Nations Centre on Transnational Corporations, perceptions regarding the role of transnational corporations had changed as a truly global economy had emerged. During its existence, the United Nations Centre on Transnational Corporations had set high standards in its research and publications. ICFTU hoped that, with sufficient resources, the tradition of high-quality work would continue with the integration of the Commission on Transnational Corporations into the United Nations Conference on Trade and Development (UNCTAD). In future, the Commission should emphasize the contribution of transnational corporations to economic development, ascertaining which policies minimized the negative effects and maximized the benefits of business activities. Greater efforts should be made to understand how international competition to attract foreign direct investment affected other aspects of political and economic growth.

Recommendations contained in document E/1994/32

The PRESIDENT drew the attention of the Council to chapter I of the report of the Commission on Transnational Corporations on its twentieth session (E/1994/32) which contained one draft resolution and one draft decision for action by the Council.

He proposed that the Council should consider the draft resolution entitled, "Integration of the Commission on Transnational Corporations into the institutional machinery of the United Nations Conference on Trade and Development".

Mr. RUNGE (Germany), supported by Mr. BELHIMEUR (Observer for Algeria), speaking on behalf of the European Union, supported adoption of the draft resolution under consideration. He noted that the European Union attached great importance to the role of transnational corporations, which

(Mr. Runge, Germany)

provided employment for at least 70 million individuals and one third of the world's foreign direct investment. His delegation urged the Commission on Transnational Corporations to continue to explore the relationship between transnational corporations and foreign direct investment, trade, technology, economic development and employment. His delegation endorsed the proposal to change the name of the Commission to the Commission on International Investment in Transnational Corporations and felt that the integration of the Commission on Transnational Corporations into the institutional machinery of UNCTAD would enable the Commission to take advantage of the know-how and international trade relationships developed by UNCTAD. The proposed integration would help to improve the efficiency and effectiveness of the United Nations system in addressing international investment issues and to eliminate any duplication with the future World Trade Organization. The European Union especially supported the recommendations contained in paragraph 2 of the draft resolution regarding the future programme of work of the Commission on Transnational Corporations.

Mr. NIE Hualiang (China), supported by Mr. ISAKOV (Russian Federation) said that the Commission on Transnational Corporations had accomplished valuable work in formulating agreements and in providing the Secretariat with technical assistance. If the Commission was to be integrated into the institutional machinery of UNCTAD, it should continue to fulfil the same function. Transnational corporations occupied an important position in the global economy and should continue to play a positive role in promoting economic growth in developing countries by encouraging foreign direct investment in those countries.

Mr. BARAC (Romania) supported the adoption of the draft resolution under consideration and hoped that the future work of the Commission on Transnational Corporations would correspond to new conditions of development. National and international efforts to achieve development were increasingly based on cooperation between Governments and non-governmental sectors. In that respect, transnational corporations were outstanding partners of Governments and could offer complex support at the national level in the form of managerial assistance, improved know-how and inflow of capital through foreign direct investment. Therefore, his delegation considered it most appropriate that the title of the Commission should include a reference to international investment. His delegation hoped that the future activities of

(Mr. Barac, Romania)

the Commission would support economic growth and structural reforms in the developing countries and those in transition.

Mr. LOZANO (Mexico) said his delegation supported the draft resolution under consideration and the proposal that the Commission on Transnational Corporations become a central body for intergovernmental coordination in matters of foreign direct investment. Noting that his Government attached special importance to the reports traditionally submitted by the Commission on Transnational Corporations, he asked Mr. Lawrence of UNCTAD whether any changes would be made regarding the publication of those reports, and if he would elaborate on the new structure of the Commission on Transnational Corporations.

Mr. LAWRENCE (United Nations Conference on trade and Development (UNCTAD)) said that UNCTAD had organized activities relating to transnational corporations into a separate division, in line with Governments' requests that those activities retain a separate identity within the overall machinery of UNCTAD. At the same time, UNCTAD had sought to ensure adequate interfacing between the activities of that division and related activities within the Secretariat. In that regard, a common advisory service that dealt with interrelated issues of investment, transnational corporations and technologies had been established and the questions of privatization and enterprise development had been incorporated into the division on transnational corporations. With regard to the publication of reports, UNCTAD expected to sustain the rhythm of the reports traditionally prepared by the Commission on Transnational Corporations, both in number and, most importantly, in quality.

The PRESIDENT said that if he heard no objection he would take it that the Council wished to adopt the draft resolution on the integration of the Commission on Transnational Corporations into the institutional machinery of the United Nations Conference on trade and Development, contained in chapter I of the report of the Commission on Transnational Corporations (E/1994/32).

The draft resolution was adopted.

The PRESIDENT drew attention to the draft decision entitled "Report of the Commission on Transnational Corporations on its twentieth session and provisional agenda and documentation for the twenty-first session of the Commission", contained in chapter I, section B, of the report of the Commission on Transnational Corporations (E/1994/32).

(Le President)

He said that if he heard no objection, he would take it that the Council wished to adopt the draft decision.

The draft decision was adopted.

Recommendations contained in document E/1994/22

The PRESIDENT drew the attention of the Council to the report of the Committee for Development Planning on its twenty-ninth session, contained in document E/1994/22. In chapter V, section B, of that document, the Committee had recommended that two new countries, Angola and Eritrea, should be added to the list of least developed countries; that Botswana should be graduated form the list immediately; and that Vanuatu should be graduated from the list in 1997, conditional upon a review in that year.

He said that if he heard no objection, he would take it that the Council agreed to those recommendations.

It was so decided.

Recommendations contained in document E/1994/28

The PRESIDENT drew the attention of the Council to the report of the Population Commission on its twenty-seventh session, contained in document E/1994/28. That report contained one draft resolution entitled, "Work programme in the field of population".

He said that if he heard no objection, he would take it that the Council wished to adopt the draft resolution on the work programme in the field of population.

The draft resolution was adopted.

The PRESIDENT drew the attention of the Council to chapter I, section B, of the report of the Population Commission which contained a draft decision entitled, "Provisional agenda and documentation for the twenty-eighth session of the Population Commission".

He said that if he heard no objection, he would take it that the Council wished to adopt the draft decision on the provisional agenda and documentation for the twenty-eighth session of the Population Commission.

The draft decision was adopted.

Recommendations in document E/1994/74

The PRESIDENT drew the attention of the Council to the report of the Secretary-General on the Thirteenth United Nations Regional Cartographic Conference for Asia and the Pacific, contained in document E/1994/74. In

(The President)

chapter II of that report, the Conference recommended that the Economic and Social Council should (a) endorse its recommendation that the Fourteenth United Nations Regional Cartographic Conference for Asia and the Pacific should be convened for five working days in mid-1997, with the primary focus on the contribution of surveying, mapping and charting in support of the implementation of Agenda 21; and (b) request the Secretary-General to take measures, where appropriate, to implement the other recommendations made by the thirteenth United Nations Cartographic Conference for Asia and the Pacific; in particular, within available resources, the United Nations should continue to support surveying, mapping and charting activities in the Asia and Pacific region and inter alia facilitate the participation of the least developed countries and the small island developing States of the region.

Mr. NIE Hualiang (China), supported by Mr. Vonil CHO (Republic of Korea), said that his delegation greatly valued the work of the Thirteenth United Nations Regional Cartographic Conference for Asia and the Pacific, and fully endorsed all the resolutions adopted at that Conference, including the recommendations made to the Council. His delegation urged the United Nations to facilitate the implementation of all resolutions adopted at the Conference and believed it was beneficial to hold future conferences outside Headquarters. In that regard, his delegation hoped the United Nations would engage in active consultations with countries in the Asia and Pacific region to enable them to participate as host countries for future conferences.

The PRESIDENT said that if he heard no objection, he would take it that the Council wished to adopt the recommendations to the Economic and Social Council contained in chapter II of the report under consideration.

It was so decided.

The meeting rose at 11.50 a.m.